

**EVENT VIOLATION**  
**INSPECTOR'S STATEMENT**  
**MINERALS REGULATORY PROGRAM**

Company/Mine: Sierra Stone, Inc. (Barry Petersen)  
 Permit #: M0030049

CO # MC-06-01-08  
 Violation # 1 of 1

**SERIOUSNESS**

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation.** Mark and explain each event.

- |                                     |    |  |
|-------------------------------------|----|--|
| <input checked="" type="checkbox"/> | a. | Activity outside the approved permit area.                     |
| <input type="checkbox"/>            | b. | Injury to the public (public safety).                          |
| <input type="checkbox"/>            | c. | Damage to property.  |
| <input checked="" type="checkbox"/> | d. | Conducting activities without appropriate approvals.           |
| <input checked="" type="checkbox"/> | e. | Environmental harm.  |
| <input type="checkbox"/>            | f. | Water pollution.   |
| <input type="checkbox"/>            | g. | Loss of reclamation/revegetation potential.                    |
| <input type="checkbox"/>            | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input type="checkbox"/>            | i. | No event occurred as a result of the violation.                |
| <input type="checkbox"/>            | j. | Other.   |

Explanation: Operations on an area outside the approved permit area were being conducted. Approximately 7 acres have been affected for this small mining operation.

2. Has the event or damage occurred? Yes  
 If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: Prior to submitting a Notice of Intent to Conduct Large Mining Operations, the operator has expanded the operation to 7 acres.

3. Did any damage occur as a result of the violation? No  
 4. If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: While 7 acres are currently being utilized for this operation, the increased acreage (2 acres outside the SMO boundary) is all within historic, pre-law disturbance (unreclaimed).

Event Violation Inspector's Statement

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**B. DEGREE OF FAULT** (Check the statements which apply to the violation and discuss).

- ☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: \_\_\_\_\_

- ☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: The Barry Petersen is in the process of purchasing this operation from Sierra Stone, and thought his operations were within what had been permitted. He did not realize that 7 acres were being utilized.

- ☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: \_\_\_\_\_

- ☐ Was the operator in violation of a specific permit condition?

Explanation: \_\_\_\_\_

- ☐ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: \_\_\_\_\_

Was any economic benefit gained by the operator for failure to comply? No.  
If yes explain.

Explanation: \_\_\_\_\_

**Note:** While initially an exploration permit would have been appropriate for this activity, the operator has indicated that there is good stone, and will amend his plan to include this area.

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**GOOD FAITH**

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: \_\_\_\_\_

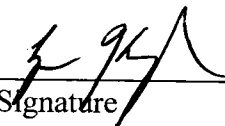
2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: \_\_\_\_\_

3. Was the submission of plans prior to physical activity required by this NOV / CO? \_\_\_\_\_ If yes, explain.

Explanation: \_\_\_\_\_

Lynn Kunzler  
Authorized Representative

  
Signature

September 7, 2006  
Date

LK:jb

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